

AMENDED IN ASSEMBLY JUNE 1, 1999  
AMENDED IN ASSEMBLY APRIL 26, 1999  
AMENDED IN ASSEMBLY APRIL 5, 1999  
AMENDED IN ASSEMBLY MARCH 4, 1999  
AMENDED IN ASSEMBLY FEBRUARY 4, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

## ASSEMBLY BILL

**No. 34**

**Introduced by Assembly Members Steinberg and Baugh  
(Coauthors: Assembly Members Alquist, Calderon, Cedillo,  
Gallegos, Hertzberg, Honda, Jackson, Keeley, Kuehl,  
Lowenthal, Mazzoni, Romero, Strom-Martin, Thomson,  
and Washington)**

(Coauthors: Senators Alpert, Baca, Chesbro, Johnston,  
Perata, and Solis)

December 7, 1998

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An act to amend Sections 5802, 5806, and 5814 of the Welfare and Institutions Code, relating to mental health, ~~and~~ making an appropriation therefor, *and declaring the urgency thereof, to take effect immediately.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 34, as amended, Steinberg. Mental health funding: local grants.

Existing law provides for the allocation of state funds to counties for mental health programs.

This bill would make various statements of legislative findings and intent regarding the need to provide sufficient funds to counties for adult mental health and related services.

Existing law requires the State Department of Mental Health to establish service standards relating to mental health services. These standards are required to include, among other things, plans for services and evaluation strategies.

This bill would also require these standards to include coordination and access to related medications, substance abuse services, housing assistance, ~~and~~ vocational rehabilitation, *and veterans' services*.

The bill would also provide for *the award, by the department, of* planning grants, *outreach grants*, and service expansion grants to counties for adult mental health programs.

The bill would appropriate funds to provide planning grants, *outreach grants*, and expansion grants for counties with significant populations of homeless mentally ill persons through the ~~2006-07~~ 2000-01 fiscal year.

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of  
2 the following:

3 (a) *Recent estimates indicate that there are 50,000*  
4 *homeless severely mentally ill Californians, including*  
5 *10,000 to 20,000 homeless mentally ill veterans.*

6 (b) Presently there are no financial incentives for  
7 counties *to provide outreach to homeless mentally ill*  
8 *adults* to increase the number of people they serve with  
9 severe mental illness.

10 ~~(b)~~

11 (c) County dollars are generally fixed, so that  
12 treatment of a higher than expected number of Medi-Cal  
13 recipients, who are entitled to treatment by the county,

1 reduces the amount of funds available to serve other  
2 individuals.

3 ~~(e)~~

4 (d) Counties should be provided an amount of funds  
5 to establish systems of care for severely mentally ill adults,  
6 and provide mental health services and related  
7 medications, substance abuse services, housing assistance,  
8 vocational rehabilitation, and other nonmedical  
9 programs necessary to stabilize homeless mentally ill  
10 persons, get them into regular treatment *or access to*  
11 *veterans' services*, and off the streets.

12 ~~(d)~~

13 (e) When people who suffer from severe mental  
14 illness do not have access to the services they require they  
15 frequently wind up in the criminal justice system.  
16 However, those who receive extensive community  
17 treatment are ~~hardly—ever~~ *much less frequently*  
18 incarcerated. The Department of Corrections is  
19 expending \$400 million annually for the incarceration and  
20 treatment of people suffering from severe mental illness.  
21 In addition, the Department of Corrections and the  
22 criminal justice system are responsible for the placement  
23 of more than 3,000 of the total of approximately 4,500  
24 persons in the state mental hospitals, for an additional  
25 annual state cost of over \$300 million.

26 ~~(e)~~

27 (f) People suffering from severe mental illness receive  
28 sentences that are ~~six times~~ *frequently* longer than those  
29 received by others convicted of the same crimes.

30 ~~(f)~~

31 (g) There are ~~no funds or programs that~~ *insufficient*  
32 *funds or programs to* ensure that people suffering from  
33 severe mental illness can receive the treatment they  
34 need.

35 ~~(g)~~

36 (h) Increasing funding for an adult mental health  
37 system of care will ~~pay for itself many times over in result~~  
38 *in significantly* reduced Department of Corrections,  
39 criminal justice system, and local law enforcement  
40 expenditures for people with severe mental illness.

1 SEC. 2. Section 5802 of the Welfare and Institutions  
2 Code is amended to read:

3 5802. (a) The Legislature finds that a mental health  
4 system of care for adults and older adults with severe and  
5 persistent mental illness is vital for ~~the success of mental~~  
6 ~~health—managed successful management of mental health~~  
7 care in California. Specifically:

8 (1) A comprehensive and coordinated system of care  
9 includes community-based treatment, outreach services  
10 and other early intervention strategies, case  
11 management, and interagency system components  
12 required by adults and older adults with severe and  
13 persistent mental illness.

14 (2) Mentally ill adults and older adults receive service  
15 from many different state and county agencies,  
16 particularly criminal justice, employment, housing,  
17 public welfare, health, and mental health. In a system of  
18 care these agencies collaborate in order to deliver  
19 integrated and cost-effective programs.

20 ~~(3) The management of the risk for persons with~~  
21 ~~severe mental illness and related financial risks is~~

22 (3) *The recovery of persons with severe mental illness*  
23 *and their financial means are* important for all levels of  
24 government, business, and the community.

25 (4) System of care services which ensure culturally  
26 competent care for persons with severe mental illness in  
27 the most appropriate, least restrictive level of care are  
28 necessary to achieve the desired performance outcomes.

29 (5) Mental health service providers need to increase  
30 accountability and further develop methods to measure  
31 progress towards client outcome goals and cost  
32 effectiveness as required by a system of care.

33 (b) The Legislature further finds that the integrated  
34 service agency model developed in Los Angeles and  
35 Stanislaus Counties and the countywide systems model  
36 developed in Ventura County, beginning in the 1989–90  
37 fiscal year through the implementation of Chapter 982 of  
38 the Statutes of 1988, ~~—provides provide~~ models for  
39 managing care for adults and older adults with severe  
40 mental illness ~~that are vital to the implementation and~~

~~success of the mental health managed care plan in~~  
~~California, and have, and have~~ successfully met the  
performance outcomes required by the Legislature.

(c) The Legislature also finds that the system  
~~components established in these three programs can be~~  
~~replicated and expanded to additional clients in order to~~  
~~provide~~ *components established in adult systems of care*  
*are of value in providing* greater benefit to adults and  
older adults with severe and persistent mental illness at  
a lower cost in California.

(d) Therefore, using the guidelines *and principles*  
developed under the demonstration projects  
implemented under the adult system of care legislation  
in 1989, it is the intent of the Legislature to accomplish the  
following:

(1) Encourage each county to implement a system of  
care as described in this legislation for the delivery of  
mental health services to seriously mentally disordered  
adults and older adults.

(2) To promote system of care accountability for  
performance outcomes which enable adults with severe  
mental illness to reduce symptoms which impair their  
ability to live independently, work, maintain community  
supports, care for their children, stay in good health, not  
abuse drugs or alcohol, and not commit crimes.

(3) Maintain funding for the existing programs  
developed in Los Angeles, Stanislaus, and Ventura  
Counties as models and technical assistance resources for  
future expansion of system of care programs to other  
counties as funding becomes available.

(4) Provide sufficient funds for counties to establish  
outreach programs and to provide mental health services  
and related medications, substance abuse services,  
*supportive housing or other* housing assistance,  
vocational rehabilitation, and other nonmedical  
programs necessary to stabilize homeless mentally ill  
persons *or mentally ill persons at risk of being homeless,*  
get them off the street, and into treatment and recovery,  
*or to provide access to veterans' services that will also*  
*provide for treatment and recovery.*

1 SEC. 3. Section 5806 of the Welfare and Institutions  
2 Code is amended to read:

3 5806. The State Department of Mental Health shall  
4 establish service standards that ensure that members of  
5 the target population are identified, and services  
6 provided to assist them to live independently, work, and  
7 reach their potential as productive citizens. *The*  
8 *department shall provide annual oversight of grants*  
9 *issued pursuant to this part for compliance with these*  
10 *standards.* These standards include but are not limited to:

11 (a) A service planning process that is target  
12 population based and includes the following:

13 (1) Determination of the numbers of clients to be  
14 served and the programs and services that will be  
15 provided to meet their needs. The local director of  
16 mental health shall consult with *the sheriff, the police*  
17 *chief, the probation officer,* the mental health board,  
18 contract agencies, *and* family, client, ethnic and citizen  
19 constituency groups as determined by the director.

20 (2) Plans for services including outreach, design of  
21 mental health services, coordination and access to  
22 medications, substance abuse services, housing assistance,  
23 *supportive housing or other and vocational rehabilitation*  
24 *vocational rehabilitation, and veterans' services.* Plans  
25 shall also contain evaluation strategies, which shall  
26 consider cultural, linguistic, gender, age, and special  
27 needs of minorities in the target populations. Provision  
28 shall be made for staff with the cultural background and  
29 linguistic skills necessary to remove barriers to mental  
30 health services due to limited English speaking ability  
31 and cultural differences.

32 (3) Provisions for services to meet the needs of target  
33 population clients who are physically disabled.

34 (4) Provision for services to meet the special needs of  
35 older adults.

36 (5) Provision for family support and consultation  
37 services, parenting support and consultation services, and  
38 peer support or self-help group support, where  
39 appropriate.

1 (b) Each client shall have either a clearly designated  
2 mental health case manager or a multidisciplinary  
3 treatment team who is responsible for providing or  
4 assuring needed services. Responsibilities include  
5 complete assessment of the client's needs, development  
6 of the client's personal services plan, linkage with all  
7 appropriate community services, monitoring of the  
8 quality and followthrough of services, and necessary  
9 advocacy to ensure each client receives those services  
10 which are agreed to in the personal services plan. Each  
11 client shall participate in the development of his or her  
12 personal services plan, and responsible staff shall consult  
13 with the designated conservator and, with the consent of  
14 the client, consult with the family and other significant  
15 persons as appropriate.

16 (c) The individual personal services plan shall ensure  
17 that members of the target population involved in the  
18 system of care receive age, gender, and culturally  
19 appropriate services, to the extent feasible, that are  
20 designed to enable recipients to:

21 (1) Live in the most independent, least restrictive  
22 housing feasible in the local community.

23 (2) Engage in the highest level of work or productive  
24 activity appropriate to their abilities and experience.

25 (3) Create and maintain a support system consisting of  
26 friends, family, and participation in community activities.

27 (4) Access an appropriate level of academic education  
28 or vocational training.

29 (5) Obtain an adequate income.

30 (6) Self-manage their illness and exert as much control  
31 as possible over both the day-to-day and long-term  
32 decisions which affect their lives.

33 (7) Access necessary physical health care and  
34 maintain the best possible physical health.

35 (8) Reduce or eliminate antisocial or criminal  
36 behavior and thereby reduce or eliminate their contact  
37 with the criminal justice system.

38 (9) Reduce or eliminate the distress caused by the  
39 symptoms of mental illness.

1 (10) Reduce or eliminate the harmful effects of alcohol  
2 and substance abuse.

3 SEC. 4. Section 5814 of the Welfare and Institutions  
4 Code is amended to read:

5 5814. (a) (1) This part shall be implemented only to  
6 the extent that funds are appropriated for purposes of this  
7 part. To the extent that funds are made available, the first  
8 priority shall go to maintain funding for the existing  
9 programs developed in Los Angeles, Stanislaus, and  
10 Ventura Counties.

11 (2) *The director shall establish a methodology for*  
12 *awarding grants under this part consistent with the*  
13 *legislative intent expressed in Section 5802, and in*  
14 *consultation with the advisory committee established in*  
15 *this subdivision.*

16 (3) *The director shall establish an advisory committee*  
17 *for the purpose of providing advice regarding the*  
18 *development of criteria for the award of grants, and the*  
19 *identification of specific performance measures for*  
20 *evaluating the effectiveness of grants. The committee*  
21 *shall include, but not be limited to, representatives from*  
22 *state, county, and community veterans' services and*  
23 *disabled veterans outreach programs, supportive housing*  
24 *and other housing assistance programs, law enforcement,*  
25 *county mental health and private providers of local*  
26 *mental health services and mental health outreach*  
27 *services, the Board of Corrections, the State Department*  
28 *of Alcohol and Drug Programs, local substance abuse*  
29 *services providers, the Department of Rehabilitation,*  
30 *and providers of local employment services. The criteria*  
31 *for the award of grants shall include, but not be limited*  
32 *to, all of the following:*

33 (A) *A description of a comprehensive strategic plan*  
34 *for providing outreach, prevention, intervention, and*  
35 *evaluation in a cost appropriate manner corresponding to*  
36 *the criteria specified in subparagraph (C) of paragraph*  
37 *(1) of subdivision (b).*

38 (B) *A description of the local population to be served,*  
39 *ability to administer an effective service program, and*



1 *the degree to which local agencies and advocates will*  
2 *support and collaborate with program efforts.*

3 *(C) Memoranda of understanding for referral and*  
4 *coordination with county probation program parolees*  
5 *and all severely mentally ill individuals being released*  
6 *from custody of the Sheriff, the Department of the Youth*  
7 *Authority, or the Department of Corrections.*  
8 *Memoranda of understanding with local housing and*  
9 *redevelopment agencies and other programs to provide*  
10 *housing assistance and other appropriate interagency*  
11 *coordination.*

12 *(D) Mechanisms to award grants in a manner that*  
13 *supports better performance by counties by restricting*  
14 *the availability and level of grants for counties based on*  
15 *the extent to which the current number of people*  
16 *receiving extensive community mental health services*  
17 *with funds provided other than through this part in the*  
18 *county are significantly below those of other comparably*  
19 *sized counties with comparable resources, and by*  
20 *rewarding counties who are able to provide extensive*  
21 *community mental health services to more people within*  
22 *other available resources.*

23 *(b) As funds become available, this program shall be*  
24 *expanded to provide training and funding for counties*  
25 *with significant populations of homeless mentally ill*  
26 *persons ~~consisting of both of~~, which may include the*  
27 *following types of grants:*

28 *(1) ~~Planning~~ Strategic planning grants for new*  
29 *counties to create, and for existing system of care counties*  
30 *to expand, an adult system of care that meets the*  
31 *requirements of this part.*

32 *~~(2)~~*

33 *(A) Strategic planning grants shall require a strategy*  
34 *committee composed of, but not limited to,*  
35 *representatives of the local government and private*  
36 *providers of housing assistance, mental health services,*  
37 *outreach for mental health services, veterans' services,*  
38 *outreach to disabled veterans, law enforcement,*  
39 *substance abuse services and employment services. An*  
40 *existing local committee may be utilized to serve as this*

1 *strategy committee if it includes or is expanded to include*  
2 *the required representation.*

3 (B) *The strategy committee shall develop a*  
4 *comprehensive plan for providing services pursuant to*  
5 *this part. The strategic plan shall be suitable to form the*  
6 *basis for a performance-based contract with the*  
7 *department.*

8 (C) *The strategic plan shall identify specific outcome*  
9 *and performance measures and annual reporting that*  
10 *will allow the department to evaluate, at a minimum, the*  
11 *effectiveness of the strategies in providing successful*  
12 *outreach and reducing homelessness, and involvement*  
13 *with local law enforcement, and other measures*  
14 *identified by both the department and the strategy*  
15 *committee. The outcome and performance measures*  
16 *shall include, but not be limited to all of the following:*

17 (i) *The number of persons served, and of those, the*  
18 *number who are able to maintain housing, and the*  
19 *number who receive extensive community mental health*  
20 *services for at least four months in a six-month period.*

21 (ii) *The number of persons with contacts with local*  
22 *law enforcement and the extent to which local and state*  
23 *incarceration has been reduced.*

24 (iii) *The number of persons able to demonstrate an*  
25 *increase in stability of income including competitive*  
26 *employment.*

27 (2) *Four-year outreach service grants in accordance*  
28 *with a contract between the state and approved counties*  
29 *that reflects the number of anticipated contacts with*  
30 *people who are homeless or at risk of homelessness, and*  
31 *the number of those who are severely mentally ill and*  
32 *who are likely to be successfully referred for treatment*  
33 *and will remain in treatment until successfully*  
34 *discharged.*

35 (3) (A) *Four-year service expansion grants in*  
36 *accordance with a contract between the state and*  
37 *approved counties that provides a formula for annual*  
38 *increased funding reflecting net increases in the total*  
39 *annual number of severely mentally ill adults, as*  
40 *described in Section 5600.3, who receive extensive*

1 community mental health services in at least four  
2 ~~consecutive months~~ months in a six-month period. As  
3 used in this section, “receiving extensive community  
4 mental health services” means having a case manager as  
5 described in subdivision (b) of Section 5806, having an  
6 individual personal service plan as described in  
7 subdivision (c) of Section 5806, and receiving service  
8 pursuant to that plan in four months of a six-month  
9 period.

10 (B) The formula incentive funding provided pursuant  
11 to subparagraph (A) shall be sufficient to provide mental  
12 health services, medically necessary medications to treat  
13 severe mental illnesses, alcohol and drug services,  
14 *supportive housing and other* housing assistance,  
15 vocational rehabilitation, money management assistance  
16 for accessing other health care and obtaining federal  
17 income and housing support, *accessing veterans’ services*,  
18 and stipends to attract and retain sufficient numbers of  
19 qualified professionals as necessary to provide the  
20 necessary levels of these services. These grants shall,  
21 however, pay for only the portion of the costs of those  
22 services not likely to be provided by federal funds or  
23 other state funds. *The amount of the grants may be*  
24 *increased to reward counties that are providing extensive*  
25 *community mental health services to significantly more*  
26 *severely mentally ill adults, with funds other than those*  
27 *provided pursuant to this part, relative to other*  
28 *comparable counties based on size, location, and*  
29 *resources, and may be decreased to penalize counties,*  
30 *and in some cases make them ineligible for participation*  
31 *in these grants, if the numbers of severely mentally ill*  
32 *adults to whom a county is providing extensive*  
33 *community mental health services relative to its size,*  
34 *location, and resources is significantly below that of other*  
35 *comparable counties.*

36 (C) Grants provided pursuant to subparagraph (A)  
37 shall include provisions measuring the base level of the  
38 number of people suffering from severe mental illness  
39 who are arrested and serve in jail, prison, or a state  
40 hospital as a result of their arrest in the applicable county,

1 and measuring how the grant and increased mental  
2 health services provided by the grant reduces the portion  
3 of criminal justice system resources required to be  
4 expended on people with severe mental illness. Grants  
5 shall also include a projection of the number of persons to  
6 be served annually. Beginning in the 2002-03 fiscal year,  
7 funding shall be based upon each county's successful  
8 demonstration that the county has served the number of  
9 adults projected for the prior fiscal year.

10 (D) *Four-year outreach grants, provided pursuant to*  
11 *paragraph (2), may be renewed upon their expiration*  
12 *provided that the applicant county demonstrates to the*  
13 *satisfaction of the department that the outreach services*  
14 *are successfully reaching and bringing into treatment the*  
15 *numbers of persons projected in the contract. The*  
16 *contract may be modified as necessary based upon the*  
17 *results being achieved, both in the outreach program and*  
18 *in the program expansion grant.*

19 (E) Four-year program expansion grants provided  
20 pursuant to subparagraph (A) may be renewed upon  
21 their expiration, provided that the applicant county  
22 demonstrates to the satisfaction of the department that  
23 the services provided are successfully reducing the  
24 unmet mental health need and providing for reduction in  
25 the amount of law enforcement, criminal justice system,  
26 and state corrections expenditures that would otherwise  
27 be expended upon persons with severe mental illness  
28 from the applicable county in accordance with a process  
29 included in the grant for measuring these reductions and  
30 setting forth benchmarks for reducing the expenditures  
31 as mental health expenditures increase, *and for meeting*  
32 *other performance objectives established in the contract.*  
33 The benchmarks for reduction in incarceration rates shall  
34 require each county to reduce incarceration rates by 20  
35 percent or more over the four-year period. In reviewing  
36 a county program for renewal of a grant, the department  
37 may approve the renewal even if the ~~performance~~  
38 ~~benchmark is unmet~~ *reduction in incarceration rates*  
39 *does not meet the required performance,* if the  
40 department finds that the county program is *meeting*

1 *other performance benchmarks established in the*  
 2 *contract, and is successfully stabilizing more people with*  
 3 *severe mental illness, improving the community by*  
 4 *reducing homelessness, and achieving the maximum*  
 5 *feasible reduction in incarceration of people with severe*  
 6 *mental illness.*

7 ~~(E)–~~

8 (F) In any county in which the director determines  
 9 the program has not resulted in a reduction of criminal  
 10 justice expenditures *or is not meeting other performance*  
 11 *benchmarks* in accordance with the previous four-year  
 12 grant, the director may limit the funds available for a  
 13 continuation of the grant, or an expansion of the grant, or  
 14 impose other conditions upon the grant in order to  
 15 improve the performance of the county in reducing the  
 16 incarceration of people suffering from severe mental  
 17 illness.

18 ~~(F)–~~

19 (G) On or before November 1, 2001, and annually  
 20 thereafter, the director shall report to the Legislature  
 21 regarding the impact of grants funded pursuant to this  
 22 section in reducing the incarceration of people suffering  
 23 from severe mental illness, and make recommendations  
 24 to the Legislature regarding how counties can improve  
 25 their performance and whether state policies regarding  
 26 severe mental illness should be changed. The director  
 27 may establish standards and a reporting format for county  
 28 reports to the director on annual progress toward  
 29 attaining expansion grant goals.

30 ~~(G) If the director determines pursuant to~~  
 31 ~~subparagraph (E) that the funding levels set forth in~~  
 32 ~~Section 5 of the act adding this subparagraph are not~~  
 33 ~~adequate to meet the need, the director shall indicate the~~  
 34 ~~anticipated additional funding required and the funding~~  
 35 ~~in the 2007-08 fiscal year and subsequent fiscal years may~~  
 36 ~~be increased by amounts not to exceed fifty million dollars~~  
 37 ~~(\$50,000,000) in any one subsequent fiscal year, provided~~  
 38 ~~that the total appropriations in any one fiscal year shall~~  
 39 ~~not exceed five hundred million dollars (\$500,000,000).~~

1 (c) Contracts awarded pursuant to this part shall be  
2 exempt from the Public Contract Code and the state  
3 administrative manual and shall not be subject to the  
4 approval of the Department of General Services.

5 (d) Notwithstanding any other provision of law, funds  
6 awarded to counties pursuant to this part and Part 4  
7 (commencing with Section 5850) shall not require a local  
8 match in funds. However, counties shall demonstrate a  
9 maintenance of effort in adult and childrens mental  
10 health services.

11 (e) No county shall reduce existing system-of-care or  
12 Bronzan-McCorquodale service funds provided under  
13 this part and Part 4 (commencing with Section 5850) if  
14 adult or childrens system-of-care funds are accepted by  
15 the county.

16 SEC. 5. (a) The sum of ~~three~~ twelve million dollars  
17 ~~(\$3,000,000)~~ (\$12,000,000) is hereby appropriated from  
18 the General Fund to the State Department of Mental  
19 Health. Five hundred thousand dollars (\$500,000) shall be  
20 allocated for training, by or through the programs  
21 established pursuant to subdivision (a) of Section 5814 of  
22 the Welfare and Institutions Code. Five hundred  
23 thousand dollars (\$500,000) shall be allocated for training  
24 to counties in homeless outreach to be offered through an  
25 organization with significant success with homeless  
26 outreach programs, and two million dollars (\$2,000,000)  
27 shall be allocated for grants to counties for  
28 implementation of paragraph (1) of subdivision (b) of  
29 Section 5814 of the Welfare and Institutions Code during  
30 the 1999–2000 fiscal year. Nine million dollars (\$9,000,000)  
31 shall be allocated for implementation of paragraphs (2)  
32 and (3) of subdivision (b) of Section 5814 of the Welfare  
33 and Institutions Code for grants to counties that enter  
34 into contracts to establish or expand their programs on or  
35 before April 1, 2000.

36 (b) The sum of ~~fifty million dollars (\$50,000,000)~~ forty  
37 one million dollars (\$41,000,000) is hereby appropriated  
38 from the General Fund for the 2000–01 fiscal year to the  
39 State Department of Mental Health for implementation

1 of paragraph (2) of subdivision (b) of Section 5814 of the  
2 Welfare and Institutions Code.

3 ~~(e) A sum not to exceed one hundred million dollars~~  
4 ~~(\$100,000,000) is hereby appropriated for the 2001-02~~  
5 ~~fiscal year from the General Fund to the State~~  
6 ~~Department of Mental Health for implementation of~~  
7 ~~paragraph (2) of subdivision (b) of Section 5814 of the~~  
8 ~~Welfare and Institutions Code.~~

9 ~~(d) A sum not to exceed one hundred fifty million~~  
10 ~~dollars (\$150,000,000) is hereby appropriated for the~~  
11 ~~2002-03 fiscal year from the General Fund to the State~~  
12 ~~Department of Mental Health for implementation of~~  
13 ~~paragraph (2) of subdivision (b) of Section 5814 of the~~  
14 ~~Welfare and Institutions Code.~~

15 ~~(e) A sum not to exceed two hundred million dollars~~  
16 ~~(\$200,000,000) is hereby appropriated for the 2003-04~~  
17 ~~fiscal year from the General Fund to the State~~  
18 ~~Department of Mental Health for implementation of~~  
19 ~~paragraph (2) of subdivision (b) of Section 5814 of the~~  
20 ~~Welfare and Institutions Code.~~

21 ~~(f) A sum not to exceed two hundred fifty million~~  
22 ~~dollars (\$250,000,000) is hereby appropriated for the~~  
23 ~~2004-05 fiscal year from the General Fund to the State~~  
24 ~~Department of Mental Health for implementation of~~  
25 ~~paragraph (2) of subdivision (b) of Section 5814 of the~~  
26 ~~Welfare and Institutions Code.~~

27 ~~(g) A sum not to exceed three hundred million dollars~~  
28 ~~(\$300,000,000) is hereby appropriated for the 2005-06~~  
29 ~~fiscal year from the General Fund to the State~~  
30 ~~Department of Mental Health for implementation of~~  
31 ~~paragraph (2) of subdivision (b) of Section 5814 of the~~  
32 ~~Welfare and Institutions Code.~~

33 ~~(h) A sum not to exceed three hundred fifty million~~  
34 ~~dollars (\$350,000,000) is hereby appropriated for the~~  
35 ~~2006-07 fiscal year and an equal amount is hereby~~  
36 ~~continuously appropriated for each fiscal year thereafter~~  
37 ~~from the General Fund to the State Department of~~  
38 ~~Mental Health for implementation of paragraph (2) of~~  
39 ~~subdivision (b) of Section 5814 of the Welfare and~~  
40 ~~Institutions Code.~~



1     ~~(i)–~~

2     (c) The State Department of Mental Health shall  
3 allocate to counties, from the amount appropriated  
4 pursuant to subdivision (a), for the first year of initial  
5 grants to counties, the amount projected by each county  
6 that would be required to fund first-year costs pursuant  
7 to paragraph (2) of subdivision (b) of Section 5814 of the  
8 Welfare and Institutions Code. If the total of the  
9 projected first-year costs of all counties exceeds the  
10 maximum appropriation, each county shall receive a  
11 percentage of the maximum appropriation equal to that  
12 county's percentage of the total projected costs for all  
13 counties.

14     ~~(j)–The~~

15     (d) *It is the intent of the Legislature that the amounts*  
16 *appropriated to the State Department of Mental Health;*  
17 ~~*in subdivisions (b) to (h), inclusive;*~~ *for the second and all*  
18 *subsequent fiscal years of funding for expansion of the*  
19 *county mental health programs pursuant to Section 5814*  
20 *of the Welfare and Institutions Code, shall be allocated to*  
21 *counties based on the actual amounts due under the*  
22 *contract with the applicable county for the actual net*  
23 *increases in the number of persons served during the*  
24 *prior fiscal year, adjusted by the amount that the*  
25 *allocation to the county in the prior fiscal year was greater*  
26 *or less than the amount required to fund the county for*  
27 *the actual increase in number of persons served. If the*  
28 *total amount of the allocations due to all counties would*  
29 ~~*exceed the maximum allowable appropriation previous*~~  
30 ~~*year's appropriation by more than fifty million dollars*~~  
31 ~~*(\$50,000,000) for that year, each county shall receive a*~~  
32 ~~*percentage of the maximum a fifty million dollar*~~  
33 ~~*(\$50,000,000) increase over the previous year's*~~  
34 ~~*appropriation equal to that county's percentage of the*~~  
35 ~~*total costs for all counties for that year. If the allocations*~~  
36 ~~*to counties are reduced, the*~~ *The balance of each county's*  
37 ~~*costs may*~~ *shall be paid to that county in the following*  
38 *fiscal year to the extent funds are available.*

39     (e) *Of the amounts appropriated each year, five*  
40 *hundred thousand dollars (\$500,000) shall be allocated to*



1 *departmental support for administrative costs associated*  
2 *with the programs described in this section.*

3 *SEC. 6. This act is an urgency statute necessary for*  
4 *the immediate preservation of the public peace, health,*  
5 *or safety within the meaning of Article IV of the*  
6 *Constitution and shall go into immediate effect. The facts*  
7 *constituting the necessity are:*

8 *In order for the State Department of Mental Health to*  
9 *have the program established and grants awarded within*  
10 *the time frames set forth in this act, and to ensure that the*  
11 *state is able to begin promptly achieving reductions in*  
12 *incarceration and homelessness in accordance with this*  
13 *measure, it is essential that this act take effect*  
14 *immediately.*

